

Home-Based Child Care Study Committee
Presentation Handouts
October 10, 2007

Presentation outline

- I. Basic information about Iowa family child care workforce
- II. Incentives and turnover in the child care workforce
- III. Parent and provider perceptions of the current registration process
- IV. Three points for consideration
- V. Your questions and comments

Data comes from three Iowa State University studies

1. Iowa Family Child Care Providers' Survey: Final Report¹
2. Parents, Child Care & Work: The Economic Role of Child Care in Iowa.²
3. Benefits, Rewards & Support: Incentives to Build Quality & Reduce Turnover in the Iowa Child Care Workforce³

Basic information about Iowa family child care workforce

1. Average education level: 12.9 years (slightly more than high school diploma)
2. Average annual income from business: \$14,709
3. Average annual business expenses: \$9,450
4. Average net profit: \$5,259 (or, assuming a 50 hour work week, \$2.02 per hour)
5. Health insurance
 - a. Provided through spouse's employer – 50%
 - b. Provider has own policy and pays full cost – 25%
 - c. Insurance through government program (Medicaid) – 17%
 - d. Have dental insurance – 24%
 - e. Have dependent children with no insurance coverage – 9%
6. Have contributed to Social Security in last 12 months – 56%
7. Have contributed to a retirement plan in last 12 months – 63%

Table 1. Comparing teacher turnover in Iowa ECE programs: Publicly funded programs versus non-publicly funded programs

Program type (source information period)	Estimated turnover rate
Family child care providers (no valid Iowa data source exists)	Between 20 and 40% ⁴
Non-publicly funded center programs (calendar year 2004)	20%
Head Start programs (FFY2003/04)	12%
Shared Visions programs (SFY2004/05)	2%

¹ Larson, Hegland, Jeon. 2002. Iowa Family Child Care Providers Survey: Final Report. Iowa State University Extension, Ames, IA. Online at www.extension.iastate.edu/cd-dial/

² Larson, Artz, Hegland, Kuku, Otto. 2005. Parents, child Care & Work: The Economic Role of Child Care in Iowa. Iowa State University Extension, Ames, IA. Online at www.extension.iastate.edu/

³ Larson & Hegland. 2006. Benefits, Rewards & Support: Incentives to Build Quality & Reduce Turnover in the Iowa Child Care Workforce. Iowa State University Extension, Ames, IA. Online at www.extension.iastate.edu/cd-dial/

⁴ Some national estimates suggest the turnover rate for family child care providers may be as high as 50%

Reduced early childhood workforce turnover is important for 3 main reasons

1. Reduced turnover affects child outcomes by facilitating a lasting relationship between the child and the educator or care provider.
2. Reduced turnover assists in more efficient use of training programs and the resources used to provide those programs.
3. Reduced turnover enhances the availability and accessibility of child care. Further, turnover increases the amount of time spent by parents as they seek to replace care providers who have closed their businesses.

Figure 1. Two types of incentives to increase the number of quality providers & programs

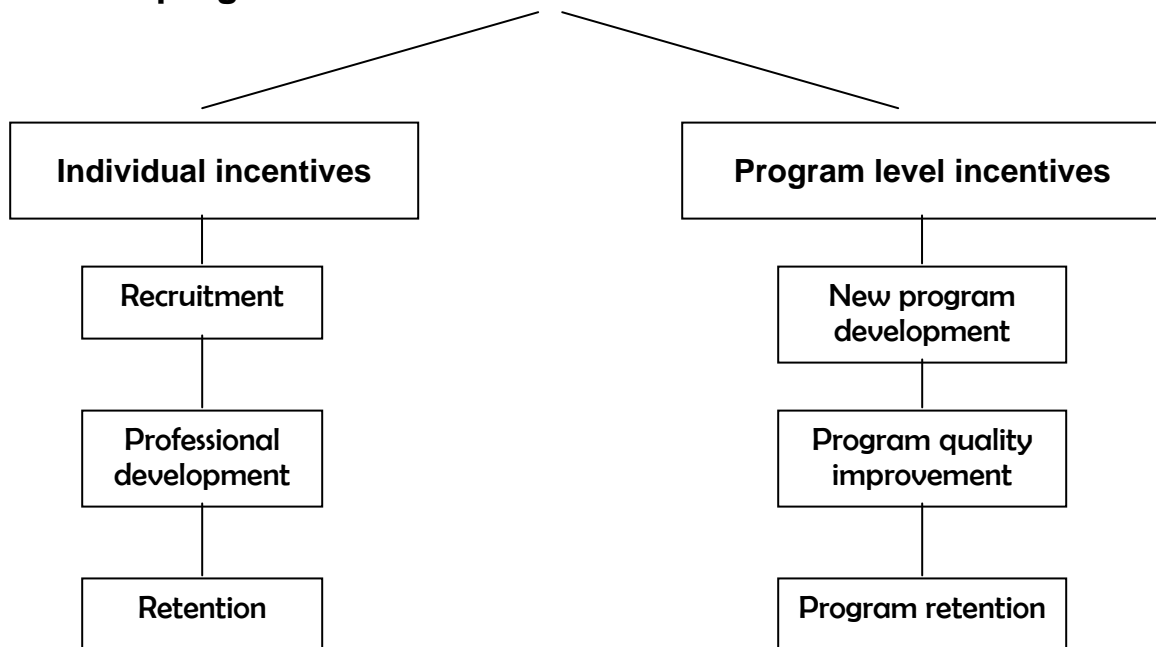
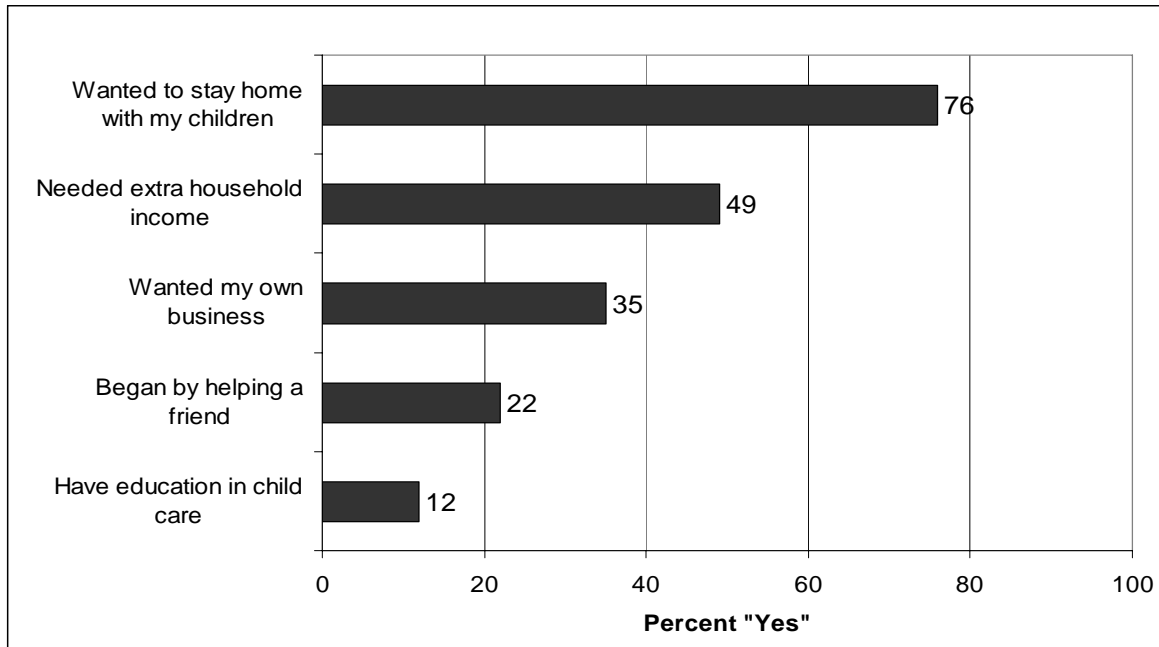
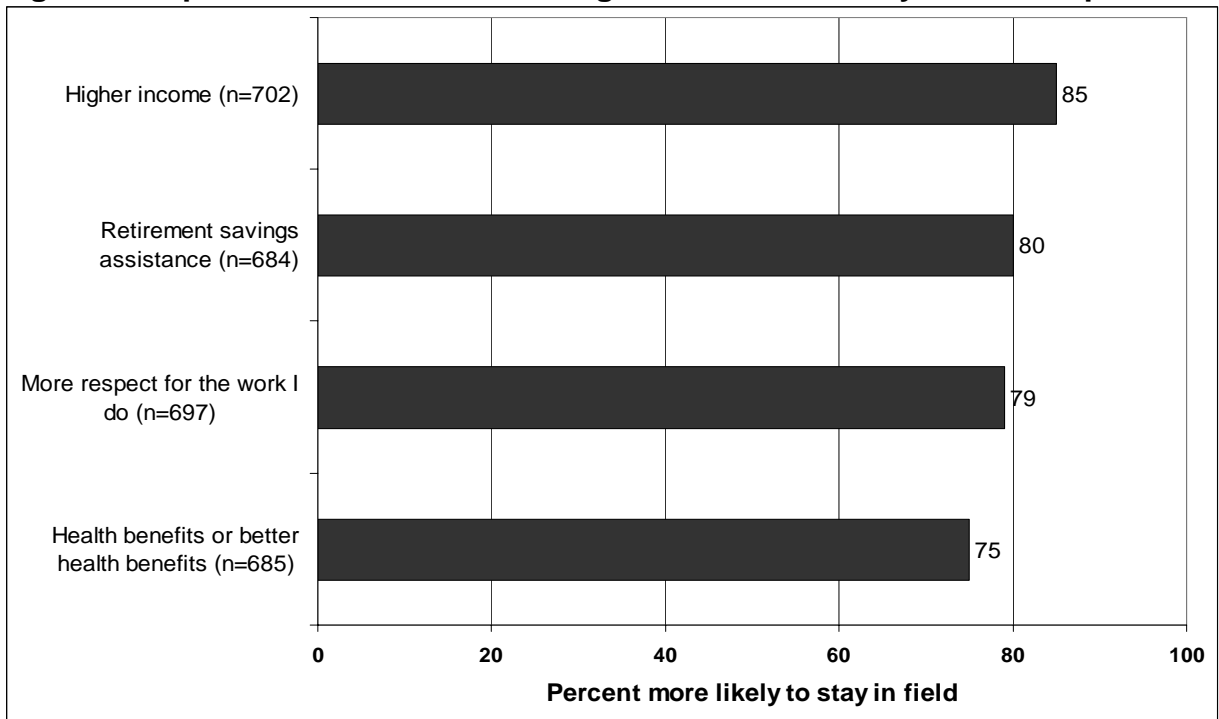


Figure 2. Motivation to begin providing child care (n=724)⁵**Figure 3. Top 4 incentives that encourage retention in family child care providers⁶**

⁵ Question was asked as a "Check all that apply." So, responses will add to more than 100%.

⁶ Other incentives included by a majority of respondents were: 1) a trusted substitute to give me time off (64%); 2) more flexible government regulations (59%); 3) more local services/resources to help run business (55%). Incentives mentioned by less than half of respondents included shorter hours, other providers to talk to, better training opportunities in my area, and more support/understanding from my spouse/partner.

Table 2. Reasons for closing family child care business (n=65)

	%	N
Couldn't make enough money to support my family*	49	33
Challenge of juggling home-run business & family needs*	35	23
Better job	30	19
I missed being around adults*	29	19
Stress of family child care	24	16
Personal family needs	19	13
Difficult relations with parents*	16	11
I missed leaving the house to go to work*	14	9
We moved to a new community	13	9
Life changes (e.g., divorce, empty nest, death of spouse)	13	9
Lost clients (e.g., client child went to school)	12	8
Personal health problems	12	8
I had problems paying health care expenses*	11	7
Caring for other people's children wasn't right for me	8	5
Benefits (e.g., insurance, paid training, vacation)	7	5
Needed more flexible hours	6	4
Personal reasons	1	1

*Some respondents who checked these items also added "Other" comments

Table 3. Recommendations and expected effects

Recommendation	Expected effects (shaded)		
	Recruitment	Professional Development	Retention
Provide access to health insurance and retirement planning benefits.			
Create public awareness that early care and education is a highly respected and important profession.			
Expand business administrator for centers and business training for family practitioners			
Tie business start-up loans to demonstrated competency or completion of training.			
Expand T.E.A.C.H. to include more slots. Expand support for education beyond associate level.			
Wage supplements tied to professional credentials, demonstrated competency, <u>and</u> experience.			
Reward administrators (center and family) with bonuses or an incrementally paid subsidy system.			

Summary

1. Increasing the number of quality child development home programs is important and something we all can agree on. Incentives that encourage recruitment, retention, and professional development are needed.
- 2a. We need to offer choices to parents who are looking for care for their children. However, parents and their children expect and deserve a safe environment for their children, regardless of which environment is chosen.
- 2b. Parents and the early childhood workforce have many views regarding the function and effectiveness of Iowa's regulatory structure for family child care. The current regulatory system for family child care providers (i.e., registration without required monitoring) is confusing and frustrating for parents and providers.
3. Just as the topic of incentives is complex, so also is solving the issue of how to make sure parents have good choices for programs that will keep their children safe. Focusing solely on incentives OR regulations OR monitoring will not solve the problem.

For questions and additional information, please contact

Kathlene Larson, M.S.
 CD-DIAL Research Director
 Iowa State University – Sociology Extension
 418 East Hall
 Ames, IA 50011-1070
 Email: katelar@iastate.edu
 PH: 515-294-3452
 WEB: www.extension.iastate.edu/cd-dial

Susan Hegland Ph.D.
 Associate Professor
 Iowa State University – Department of Human
 Development & Family Studies
 2361B Palmer
 Ames, IA 50011-4380
 Email: shegland@iastate.edu
 PH: 515-294-4616